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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

TRADER JOE'S COMPANY, a California
corporation,

Plaintiff,

v.

TRADER JOE'S UNITED,

Defendant.

Case No. 2:23-cv-05664-HDV-MARx

**OPPOSITION OF PLAINTIFF
TRADER JOE'S COMPANY TO
DEFENDANT TRADER JOE'S
UNITED'S MOTION FOR
ATTORNEYS' FEES**

Hon. Hernán D. Vera

Date: April 11, 2024

Ctrm: 5B

Time: 10:00 a.m.

Complaint Filed: July 13, 2023

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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION.

This is a trademark case. And that is *all* it is. Stripped of defendant Trader Joe's United's rhetoric, and supplemented with facts that the Court did not permit Trader Joe's to plead when it dismissed the complaint without leave to amend—a decision Trader Joe's has appealed—there is nothing “exceptional” about this case. Because the law only allows fees to be awarded in “exceptional” trademark cases, Trader Joe's United's motion for extraordinary attorneys' fees should be denied.

Trader Joe's United argues that, through this action, Trader Joe's sought solely to harass and threaten the union, and not to enforce its legitimate, uncontested trademarks. But the facts do not support this claim. More fundamentally, Trader Joe's United's position that Trader Joe's should, in effect, be punished merely for bringing this lawsuit is fatally flawed. Trader Joe's brought this case to protect its trademark rights. In bringing this action, Trader Joe's sought to be precise, to make clear that it challenged only those specific products that it believed infringed its strong and long-established trademarks. Yet, contrary to defendant's arguments, it is not the case that the *only* overlap in products branded by Trader Joe's and those sold by Trader Joe's United was a single tote bag. In fact, had the Court granted Trader Joe's leave to amend, Trader Joe's would have demonstrated that it creates branded T-shirts, cups, stickers, and buttons—all of which it routinely uses to strengthen its brand and its indisputably strong TRADER JOE'S mark, and all of which are infringed by Trader Joe's United's products.

Trader Joe's United's arguments that the Court can infer malicious intent from the timing of Trader Joe's filing are likewise unfounded. Trader Joe's raised the issue of infringement days after the union began selling the allegedly infringing products—and *before* the National Labor Relations Board filed its July 7, 2023 consolidated complaint against Trader Joe's. That the Court rejected Trader Joe's

arguments does not mean that the case is somehow “exceptional” within the meaning of the Lanham Act.

Moreover, defendant’s own motion demonstrates that this case was not frivolous. Trader Joe’s United claims that it needed to hire attorneys with nearly 70 years of combined experience to spend *almost 160 collective hours* and rack up over \$150,000 in fees defending this suit—less than half of which was incurred in connection with its motion to dismiss, the only motion it actually filed prior to its fees motion. *See* Dkt. 46 at 3, 11-12. If Trader Joe’s United is correct that its attorneys’ fees were reasonable and necessary to defeat Trader Joe’s claims, then it illustrates precisely why an award of fees *is not* proper here. This case required thoughtful analysis, raised unique issues regarding labor and trademark law, and arose from a trademark owner’s good faith attempt to enforce its rights.

Trader Joe’s United did not and cannot meet its burden to establish that this is an “exceptional” case that warrants any award of attorneys’ fees, much less one numbering six figures.

II. BACKGROUND.

1. Trader Joe’s And Its Famous Trademarks.

Trader Joe’s is a national chain of neighborhood grocery stores that has become famous for its unique shopping experience and exciting—yet affordable—product selection. It has 545 stores across the United States and a significant online presence, including social media pages, a digital version of the Fearless Flyer magazine, and the website at <traderjoes.com>, all of which offer extensive information about Trader Joe’s products, recipes, how-to guides, and stories.

For decades, Trader Joe’s has used its TRADER JOE’S trademarks to operate its grocery stores and to offer and sell a wide variety of consumer products. Trader Joe’s owns numerous federal trademark registrations for the TRADER JOE’S mark for retail store services and a wide variety of food and beverage products. *See, e.g.*, Dkt. 1-1. Having invested more than 50 years of effort and substantial sums in

promotions and advertisements, the TRADER JOE’S marks have gained nationwide recognition, popularity, and fame.

As detailed in its complaint, Trader Joe’s sells a number of branded products, including tote bags so popular they were recently profiled in the *New York Times* as a “hit” on social media.¹ See Declaration of Jessica Stebbins Bina (“Bina Decl.”), Ex. 12. The company distributes a branded “Fearless Flyer” newsletter, and prominently marks its core grocery products and retail services with the TRADER JOE’S mark. Trader Joe’s also creates additional branded products, like shirts, pins, coffee cups, and stickers, for use in-store and at events, to support and strengthen its brand. *Id.* ¶¶ 3-4, Exs. 1-11.

In connection with the 2023 Tournament of Roses Parade, for example, Trader Joe’s created a square pin with the word “ONWARD!” together with the TRADER JOE’S word mark and a small picture of a rose. Other pin designs include garden gnomes, steampunk motifs, pickle cars, teapots, wagon wheels, and circus tents. See *id.*, Exs. 3-6.

2. Trader Joe’s United And Its Use of Trader Joe’s Trademarks.

Defendant Trader Joe’s United is a union that, beginning in 2022, has sought to unionize certain Trader Joe’s stores. See Dkt. 1 at ¶¶ 10, 26. To date, Trader Joe’s United has three affiliated Trader Joe’s stores where employees have unionized (out of 545 stores).

On June 23, 2023, Trader Joe’s United announced the launch of its online “merch” store, where it would offer “[s]hirts, buttons, totes, mugs, all right here.” See Bina Decl., Ex. 13; see also Dkt. 1 at ¶¶ 26-30. And Trader Joe’s United did in fact begin selling shirts, buttons, totes, and mugs on its site. Dkt. 1 at ¶¶ 26-29. Some of these products included red lettering and a font very similar to Trader Joe’s registered TRADER JOE’S mark, while others included similar circular logos. See

¹ Madison Malone Kircher, *Why Is This \$2.99 Tote Bag Causing Chaos*, N.Y. Times (Mar. 5, 2024), <https://www.nytimes.com/2024/03/05/style/trader-joes-mini-tote.html>.

1 *id.* On June 27, 2023—four days after Trader Joe’s United began selling its
 2 products—Trader Joe’s sent a letter requesting that it discontinue selling certain
 3 products that Trader Joe’s believed infringed its trademarks. *See id.* at ¶ 33. Trader
 4 Joe’s United nonetheless continued sales, and Trader Joe’s thereafter filed this
 5 lawsuit on July 13, 2023. *See generally id.* at ¶ 34. Importantly, Trader Joe’s did
 6 not challenge the union’s right to use its name as part of the name of the union, nor
 7 did it broadly challenge the union’s right to sell merchandise. *See id.* at ¶ 36. Rather,
 8 Trader Joe’s alleged a narrow set of claims, isolating specific products that caused
 9 the greatest risk of confusion. *See, e.g., id.* at ¶¶ 28-29.

10 On August 21, 2023, Trader Joe’s United moved to dismiss Trader Joe’s
 11 complaint. *See* Dkt. 20. The Court held a hearing on November 9, 2023. During
 12 the hearing, the Court noted that it was “plausible at least at this stage” that Trader
 13 Joe’s United could create confusion with its tote bags, and that it was “torn about
 14 that.” *See* Dkt. 43 at 7:9-18. The Court noted that both parties’ briefs were “very
 15 good” and took the matter under submission. *Id.* at 12:20-21. Two months later, on
 16 January 12, 2024, the Court granted Trader Joe’s United’s motion and dismissed the
 17 case without leave to amend. *See* Dkt. 45. Trader Joe’s United then filed this motion
 18 for fees on January 26, 2024. *See* Dkt. 46. On February 9, 2024, Trader Joe’s
 19 appealed the Court’s dismissal order. *See Trader Joe’s Co. v. Trader Joe’s United*,
 20 No. 24-720 (9th Cir.).

21 **III. THIS CASE IS NOT EXCEPTIONAL.**

22 Under section 35(a) of the Lanham Act, a “court in exceptional cases may
 23 award reasonable attorney fees to the prevailing party.” 15 U.S.C. § 1117(a). “The
 24 Ninth Circuit construes the exceptional cases requirement narrowly.” *Yeager v.*
 25 *Airbus Grp. SE*, No. 8:19-CV-01793, 2021 WL 3260624, at *3 (C.D. Cal. July 1,
 26 2021), *aff’d*, No. 21-55162, 2022 WL 1175236 (9th Cir. Apr. 20, 2022) (citing
 27 *Classic Media, Inc. v. Mewborn*, 532 F.3d 978, 990 (9th Cir. 2008)). The party
 28 seeking such exceptional fees bears the burden to show, by a preponderance of the

evidence, that the case was in fact “exceptional” within the meaning of the Lanham Act. *LegalForce, Inc. v. LegalZoom.com, Inc.*, No. 18-CV-07274-MMC, 2019 WL 1170777, at *2 (N.D. Cal. Mar. 13, 2019) (citing *SunEarth, Inc. v. Sun Earth Solar Power Co.*, 839 F.3d 1179, 1181 (9th Cir. 2016)).

Trader Joe’s United has not and cannot meet that burden here. “[A]n ‘exceptional’ case is simply one that stands out from the others with respect to the substantive strength of a party’s litigating position (considering both the governing law and the facts of the case) or the unreasonable manner in which the case was litigated.” *SunEarth, Inc.*, 839 F.3d at 1180.² In making this determination, courts look to the “totality of the circumstances” and consider a non-exhaustive list of factors “including frivolousness, motivation, objective unreasonableness (both in the factual and legal components of the case) and the need in particular circumstances to advance considerations of compensation and deterrence.” *Id.* at 1180-81 (internal quotation marks omitted) (quoting *Octane Fitness, LLC v. ICON Health & Fitness, Inc.*, 572 U.S. 545, 554 n.6 (2014)). Trader Joe’s United falls short on each factor it invokes.

1. The Complaint Was Not Frivolous Or Unreasonable.

First, Trader Joe’s United has not shown, and cannot show, that the complaint was frivolous or objectively unreasonable. To support this factor, Trader Joe’s United must have shown that Trader Joe’s failed to raise even “debatable issues” through its claims. *See, e.g., Nutrivita Labs., Inc. v. VBS Distrib.*, 160 F. Supp. 3d 1184, 1191-92 (C.D. Cal. 2016) (denying fees where plaintiff “faced an uphill battle in proving its trademark infringement claims,” but “the Court [was] not persuaded that [the plaintiff] lacked *any* reasonable basis to believe the claim was worthwhile”). A “[plaintiff’s] failure to persuade the Court of [its] case’s merits does not make [its] positions unreasonable.” *Sarieddine v. Alien Visions E-Juice*,

² Trader Joe’s United has not contended that this case was litigated in an unreasonable manner, so this opposition focuses on Trader Joe’s United’s failure to establish the unreasonableness of the claims at issue.

1 *Inc.*, No. CV 18-3658 PA (MAAx), 2019 WL 4316245, at *2 (C.D. Cal. June 14,
 2 2019); *see also Applied Info. Scis. Corp. v. eBay, Inc.*, 511 F.3d 966, 973 (9th Cir.
 3 2007) (affirming denial of attorneys’ fees and emphasizing plaintiff’s case was not
 4 frivolous and “raised debatable issues”). Nor does the “the mere fact that a motion
 5 to dismiss is granted [] suffice to show that the claim was groundless.” *Dominick v.*
 6 *Collectors Universe, Inc.*, No. 2:12-cv-04782-ODW(CWx), 2013 WL 990825, at
 7 *3 (C.D. Cal. Mar. 13, 2013); *see also Krikor v. Sports Mall LLC*, No. CV 22-5600-
 8 DMG (MRWx), 2023 WL 3234333, at *4 (C.D. Cal. Mar. 31, 2023) (“If every case
 9 in which a defendant prevailed on a motion or at trial on a plaintiff’s claim required
 10 an award of attorneys’ fees, the Lanham Act’s instruction to courts to award
 11 attorneys’ fees only in exceptional cases would be meaningless.”).

12 In the short lifespan of this case, the strength of the TRADER JOE’S marks
 13 has never been in question. *See* Dkt. 45 at 15 n.11 (“The Union does not contest the
 14 strength of the Trader Joe’s family of marks.”). Likewise undisputed is the fame of
 15 the TRADER JOE’S marks, which of course is supportive of Trader Joe’s federal
 16 trademark dilution claim. *See* Dkt. 1 ¶¶ 53-56 (explaining fame of TRADER JOE’S
 17 marks and risk of dilution due to Trader Joe’s Union’s conduct).

18 “Having a validly registered trademark entitle[d] [Trader Joe’s] to police [its]
 19 mark” where “[it] reasonably believe[d] the mark has been infringed.” *Caiz v.*
 20 *Roberts*, No. 15-09044-RSWL-AGRx, 2017 WL 830386, at *4 (C.D. Cal. Mar. 2,
 21 2017). Furthermore, if Trader Joe’s did not protect its marks (such as through claims
 22 for infringement and dilution), it would risk weakening the strength of its marks, or
 23 worse, losing its rights *entirely*. *See Zosma Ventures, Inc. v. Nazari*, No. CV 12-
 24 1404 RSWL (FFMx), 2013 WL 12129643, at *6 (C.D. Cal. Sept. 23, 2013)
 25 (explaining there is “more at stake than just the loss of profits or actual damages” in
 26 a trademark action, since failure to enforce trademark rights “may result in the
 27 weakening of these rights over time”).

28

1 As a threshold matter, Trader Joe’s did not lose its right to protect its famous
2 marks merely by choosing not to challenge Trader Joe’s United’s use of the
3 TRADER JOE’S mark to identify the union. That narrow decision was not *carte*
4 *blanche* to allow Trader Joe’s United to use the TRADER JOE’S marks—including
5 its word mark, its distinctive font mark, or its logo—in any way it so chooses.

6 Indeed, Trader Joe’s United’s use of the TRADER JOE’S mark goes far
7 beyond the narrow decision given by Trader Joe’s, and it does so in a way that Trader
8 Joe’s reasonably believes threatens its rights. Trader Joe’s United sells tote bags, t-
9 shirts, mugs, and buttons emblazoned with “Trader Joe’s United” logos and lettering.
10 Dkt. 1 ¶¶ 26-29. Trader Joe’s likewise sells tote bags and—had it been permitted
11 leave to amend—would have demonstrated that it also sells or provides TRADER
12 JOE’S branded t-shirts, cups, and pins. *See* Bina Decl., ¶¶ 3-4, Exs. 3-8. Even were
13 it otherwise, “a trademark owner may seek redress if another’s use of the mark on
14 different goods or services is likely to cause confusion with the owner’s use of the
15 mark in connection with its registered goods.” *Applied Info. Scis. Corp.*, 511 F.3d
16 at 971. This is because “[a]lthough the *validity* of a registered mark extends only to
17 the listed goods or services, an owner’s *remedies* against confusion with its valid
18 mark are not so circumscribed.” *Id.* Thus, “the owner [of a protectable registered
19 mark] does not additionally have to show that the defendant’s allegedly confusing
20 use involves the *same* goods or services listed in the registration.” *Id.* at 972; *see*
21 *also* Gilson on Trademarks, § 4.03(4)(b) (2023) (“[W]hen the plaintiff does base the
22 action on use of his mark on the goods or services identified in the registration, the
23 *scope of relief* will extend beyond those goods or services to an infringing mark used
24 on any goods or services where confusion is likely to result.”). The products sold
25 by Trader Joe’s United are a natural expansion from, if not overlapping with,

1 products Trader Joe's offers, or has offered, under its own branding. *See, e.g.,* Bina
2 Decl., Exs. 1-11.³

3 Even without the benefit of the further facts provided by amendment, Trader
4 Joe's claims raised, at the very least, "debatable issues," precluding a finding of
5 exceptionality. *See Nutrivita Labs.*, 160 F. Supp. 3d at 1191-92; *see also Applied*
6 *Underwriters, Inc. v. Lichtenegger*, No. 2:15-cv-02445-TLN-CKD, 2020 WL
7 5107627, at *4 (E.D. Cal. Aug. 31, 2020) ("[W]here a party has set forth some good
8 faith argument in favor of its position, it will generally not be found to have advanced
9 exceptionally meritless claims"). As the Court itself acknowledged, consumer
10 confusion between Trader Joe's totes and Trader Joe's United totes was "plausible,"
11 leaving the Court "torn." Dkt. 43 at 7:9-18.

12 The simple driving factor behind this case is Trader Joe's good faith belief
13 that the lawsuit was necessary to protect Trader Joe's valuable trademarks. Not only
14 is Trader Joe's *required* to police its mark (lest it risk weakening, or losing
15 altogether, its rights), the legislative history of the attorneys' fees provision of the
16 Lanham Act explicitly encourages good faith enforcement efforts (like Trader
17 Joe's). *See Gibson Guitar Corp. v. Viacom Int'l, Inc.*, No. CV 12-10870 DDP
18 (AJWx), 2013 WL 3779593, at *4 (C.D. Cal. July 18, 2013) (quoting S. Rep. No.
19 93-1400 (1974), *reprinted in* 1974 U.S.C.C.A.N. 7132, 7136) ("Mass demand, mass
20 advertising and the increasingly large variety of goods available make the
21 trademarks of crucial importance to manufacturers, distributors, and the consuming
22 public Effective enforcement of trademark rights is left to the trademark owners
23 and they should, in the interest of preventing purchaser confusion, be encouraged to
24 enforce trademark rights."). And courts have found that—even where a trademark
25 plaintiff's claims "were not particularly strong"—the fact that the plaintiff "has

26
27 ³ For example, while Trader Joe's does not presently sell coffee mugs, it does sell
28 coffee, tea, and cocoa, "mug hanger" cookies that sit atop mugs, "mug mix" hot
chocolate, and hot cocoa stirring spoons emblazoned with mug designs. Bina
Decl. ¶ 4, Exs. 8-11.

1 registered trademarks” (as Trader Joe’s does here) and that the defendant “used those
 2 trademarks” (as Trader Joe’s United did here) “supports a finding that [the p]laintiff
 3 had a legitimate reason for bringing the lawsuit.” *Applied Underwriters*, 2020 WL
 4 5107627, at *5.

5 2. The Complaint Was Not Ill-Motivated.

6 “A case is not exceptional and does not support an award of attorney fees
 7 where Plaintiff had a registered trademark, *his motivation in pursuing the lawsuit*
 8 *was to police and enforce his trademark rights*, and the case was not objectively
 9 unreasonable both in the factual and legal components of the case.” *Id.* at *4
 10 (emphasis added). Trader Joe’s United argues that the Court is free to disregard the
 11 merits of Trader Joe’s trademark claims because, in Trader Joe’s United’s view,
 12 Trader Joe’s filed the lawsuit solely to gain an advantage in labor negotiations. This
 13 assertion, however, does not comport with the facts.

14 Trader Joe’s United is correct that Trader Joe’s filed its complaint on July 13,
 15 2023, “six days after the NLRB issued a consolidated complaint against [plaintiff].”
 16 Dkt. 46 at 4:27-28. Trader Joe’s, however, sent its first cease and desist letter to
 17 Trader Joe’s United more than two weeks before, on June 27, 2023, *see* Dkt. 1 at
 18 ¶ 33, promptly after Trader Joe’s United launched the infringing merchandise four
 19 days earlier on June 23, 2023, *see* Bina Decl., Ex. 13. Trader Joe’s did not rush to
 20 file this suit upon an NLRB complaint; rather, the timing of these events is compelled
 21 by the separate but parallel timeline during which this trademark dispute developed.
 22 The Court should not infer bad faith from the timing of the lawsuit.

23 Moreover, the narrow scope of Trader Joe’s complaint—far from
 24 demonstrating its lack of merit, as Trader Joe’s United argues—demonstrated Trader
 25 Joe’s attempt to *avoid* challenging the union’s labor efforts and *limit* its claims to the
 26 issue of infringement. Trader Joe’s did not assert a blanket challenge against Trader
 27 Joe’s United’s entire website or product line, much less its name (which at that point
 28 Trader Joe’s United had used for more than a year without challenge from Trader

Joe's, *see* Dkt. 20 at 6)—instead focusing on a narrow subset of commercial goods for sale, *see* Dkt. 1 at ¶¶ 26-29. And discovery would have shown those products' relationship to past and future Trader Joe's branded materials. *See, e.g.,* Bina Decl., Exs. 1-11; *see also* *Trader Joes Co. v. T-Shirt AT Fashion LLC*, No. CV 23-03010-MWF (RAOx), 2023 WL 9420440, at *3 (C.D. Cal. Dec. 20, 2023) (granting default to Trader Joe's on trademark infringement claims regarding infringing use of TRADER JOE'S marks on t-shirts); *see also* *Applied Info. Scis. Corp.*, 511 F.3d at 971.

Trader Joe's United also argues that Trader Joe's complaint was frivolous because it was related to an existing labor dispute, and thus injunctive relief was prohibited by the Norris-LaGuardia Act. *See* Dkt. 46 at 9. As a threshold matter, and as the Court's order acknowledges, even if injunctive relief were unavailable, that would not render the complaint groundless: the claims must still be evaluated on the merits because other forms of relief remain available. *See* Dkt. 45 at 2.⁴ Trader Joe's United relies on a recent decision in the District of New Jersey, *Medieval Times U.S.A., Inc. v. Medieval Times Performers United*, No. 2:22-cv-6050 (WJM), 2023 WL 6307464 (D.N.J. Sept. 28, 2023). *See* Dkt. 46 at 5. *Medieval Times*, however, is non-binding out-of-circuit law, with a very different fact pattern. The plaintiff in that case was challenging the union's use of the MEDIEVAL TIMES mark in its union name, not on products or services. *See* Dkt. 35 at 17. Trader Joe's specifically *avoided* challenging Trader Joe's United's use of the TRADER JOE'S mark in its union name. That decision to narrowly target the complaint shows reasonableness, not frivolousness. The *Medieval Times* decision, moreover, was issued more than two months after Trader Joe's filed its complaint, so Trader Joe's United cannot credibly argue that the decision to file was somehow in contravention

⁴ As noted above, Trader Joe's has appealed the dismissal of its complaint and expressly reserves all arguments with respect to the impact of the Norris-LaGuardia Act on this case.

1 of existing case law. That case law (regardless of its aptness or precedential impact)
2 did not exist.

3 Trader Joe's United further asserts that Trader Joe's "admitted at oral
4 argument that its case came down to tote bags because that is the only product both
5 parties sell," implying that Trader Joe's could not possibly have been legitimately
6 threatened by Trader Joe's United. Dkt. 46 at 9:18-19. Not only is this a
7 mischaracterization of Trader Joe's counsel's statement (predecessor counsel simply
8 made a good faith factual concession that Trader Joe's did not sell buttons and mugs
9 *at that time*), Trader Joe's United omits the Court's commentary regarding the
10 parties' tote bags. Specifically, the Court stated "I'm somewhat torn on that because
11 they're pretty famous tote bags" and "they're pretty well known for those tote bags."
12 *See* Dkt. 43 at 7:10-12. Indeed, the Court further stated that "to put . . . that mark on
13 [a] tote bag can create some confusion, at least it's plausible at least at this stage
14 even if there are some clear differences." *Id.* at 7:12-15.

15 Ultimately, Trader Joe's United offers no *evidence* that Trader Joe's was
16 maliciously motivated, and the facts demonstrate the opposite: the timing, limits,
17 and scope of the complaint yields one conclusion: this is a trademark case, not an
18 anti-union case. *See Applied Underwriters*, 2020 WL 5107627, at *5 (denying fees)
19 ("Defendants' argument rest[ed] heavily on the assumption that Plaintiff's lawsuit
20 was baseless and motivated by a bad faith intent to chill speech"; despite these
21 allegations, "the Court declines to conclude that Plaintiff pursued the litigation in
22 bad faith when it had a legitimate reason for filing a lawsuit and debatable issues
23 were litigated").

24 3. There is No Need for Compensation and Deterrence.

25 Trader Joe's United has not shown that fees are necessary for compensation
26 and deterrence. *See McZeal v. Amazon.com Servs. LLC*, No. 2:21-cv-07093-SVW-
27 RAO, 2022 WL 19521359, at *2 (C.D. Cal. Aug. 16, 2022) ("[D]eterrent fee awards
28 should be used to dissuade the filing of baseless, frivolous lawsuits with a particular

1 focus on the frivolousness of the case at hand; even vexatious litigants should be
2 able to pursue potentially meritorious claims.”).

3 Trader Joe’s United argues that a fees award is necessary to deter companies
4 from anti-union behavior. *See* Dkt. 46 at 11. This argument overlooks the risk
5 associated with such an award: it effectively licenses a company’s intellectual
6 property rights to each corresponding union, as companies would be deterred from
7 protecting their rights for fear of facing sanctions or a fees motion. This is
8 particularly troubling since in a trademark case, “trademark owners have more at
9 stake than just the damages or loss of profits in that case [because] [t]heir failure to
10 enforce their rights may result in the weakening of these rights over time.” *Partners*
11 *for Health & Home, L.P. v. Yang*, 488 B.R. 431, 438 (C.D. Cal. 2012) (internal
12 quotation marks omitted) (quoting *Tamko Roofing Prods., Inc. v. Ideal Roofing Co.*,
13 61 U.S.P.Q.2d 1865, 1872 (1st Cir. 2002)).

14 Trader Joe’s filed its complaint and asserted targeted, good faith arguments
15 regarding Trader Joe’s United’s infringing products. It was obligated to do so, given
16 the risk associated with not properly enforcing its trademark rights. Ultimately, the
17 Court was not persuaded, but “mere failure of proof on a claim or lack of success in
18 a lawsuit is not sufficient to warrant a finding that a case is exceptional.” *Breaking*
19 *Code Silence v. Papciak*, No. 21-cv-00918-BAS-DEB, 2022 WL 4241733, at *4
20 (S.D. Cal. Sept. 13, 2022). Thus the motion for fees should be denied.

21 **IV. TRADER JOE’S UNITED CLAIMS UNREASONABLE AND** 22 **IMPROPER FEES.**

23 Not only does Trader Joe’s United’s motion fail on the merits, it seeks an
24 unreasonable amount of fees, built on (i) overlapping work performed by *three*
25 partners, (ii) ambiguous block-billed time entries that prevent a proper accounting
26 of how much time was spent on various distinct tasks, (iii) charges related to clerical
27 workstreams (e.g., *pro hac vice* applications, cite checking), and (iv) fees for
28 unprosecuted or abandoned projects.

1 Trader Joe's United seeks recovery of 160 hours at an hourly rate of \$1,056
 2 for attorneys Singla and Goldstein, and \$777 for attorney Mehta—all partners.
 3 *See* Dkt. 46 at 11-12; Dkt. 47. Trader Joe's United states that Singla has 23 years of
 4 labor and employment experience, Goldstein has over 30 years of labor and
 5 employment experience, and Mehta has ten years of labor and employment
 6 experience. Dkt. 46 at 12. Trader Joe's United then argues that these three partners
 7 (with over 60 collective years of experience) needed to spend this extensive amount
 8 of hours, while simultaneously arguing that this was a frivolous, straightforward
 9 case. It is not reasonable for Trader Joe's United to claim that it needed three
 10 partners to work on this matter *at all*, much less for this many hours on a supposedly
 11 "straightforward" case.⁵ The use of three partners was plainly inefficient, but more
 12 importantly it belies any claim that this was a frivolous case.

13 In addition to gross inefficiency, the requested fees are replete with
 14 ambiguous block billing, entries reflecting work that a more junior associate could
 15 have conducted at a lower rate, and charges for motions that were not filed or
 16 pursued.

17 The Ninth Circuit has explained that block billing may justify a reduction of
 18 up to 30% for block-billed time, *Welch v. Metro. Life Ins. Co.*, 480 F.3d 942, 945
 19 n.2 (9th Cir. 2007), because block billing makes it "impossible to determine whether
 20 the time requested for any one task was reasonable," *Banas v. Volcano Corp.*,
 21 47 F. Supp. 3d 957, 967 (N.D. Cal. 2014). Trader Joe's United's fee table reflects
 22 block billing throughout. *See, e.g.*, Dkt. 47 at 1-2 (block billing entries such as
 23 "Reviewed Kathryn Cahan email sent to Jamie Edwards regarding Trademark (TM)
 24 infringement and researched similar cases and found Medieval Times," "Reviewed
 25 7.5.23 TJ letter from Cahan, case law research," and "Review rules for filing MTD,
 26 legal research, edit motion, cite checking"). This block billing groups various tasks

27 ⁵ The unreasonable nature of these excessive billing practices is further underscored
 28 by Trader Joe's United's own counsel's description of Trader Joe's United as "a
 fledgling and independent union of extremely modest resources." Dkt. 46-1 ¶ 29.

1 and “makes it difficult for the court to determine how much time was actually spent
 2 on particular work.” *Chloe SAS v. Sawabeh Info. Servs. Co.*, No. CV 11–04147
 3 MMM (MANx), 2015 WL 12763541, at *33 (C.D. Cal. June 22, 2015). Thus, the
 4 Court should reject this block billed time and discount the requested fees
 5 accordingly.

6 Additionally, courts can reduce the requested fees for excessive billing, such
 7 as when a more senior attorney or partner performs work that a junior associate could
 8 conduct. *See, e.g., Arcona, Inc. v. Farmacy Beauty, LLC*, No. 2:17-cv-7058-ODW
 9 (JPRx), 2021 WL 2414856, at *5 (C.D. Cal. June 14, 2021) (applying 25% reduction
 10 to fees in part because “partners with over twenty years of experience billed for
 11 performing tasks such as ‘review[ing] pretrial documents and motions in limine and
 12 assist[ing] with filing the same with the court”); *see also Wynn v. Chanos*, No.
 13 14-cv-04329-WHO, 2015 WL 3832561, at *6 (N.D. Cal. June 19, 2015) (reducing
 14 fees by 25% in part because “given the sophistication of counsel and their substantial
 15 billing rates, this case should have been litigated much more efficiently without
 16 sacrificing quality” and “the unreasonable staffing of five skilled attorneys at high
 17 rates for this motion practice”). Trader Joe’s United used not one, but **three**, partners
 18 to conduct work that could have been handled more efficiently by a less expensive
 19 biller.

20 For example, *all* legal research was conducted by Singla, Mehta, and
 21 Goldstein (*i.e.*, partners with decades of experience in labor/employment, not
 22 trademark law), despite this purportedly being a “groundless trademark infringement
 23 suit” in which Trader Joe’s United could “easily meet its preponderance of the
 24 evidence burden.” *See* Dkt. 46 at 1, 9. Trader Joe’s United similarly did not employ
 25 any lower-priced attorneys or staff members to perform other routine tasks, such as
 26 checking the docket, *see* Dkt. 47 at 1, cite checking, *see id.* at 2, filing, *see id.*, or
 27 completing the *pro hac vice* process, *see id.* at 4. *See 3M Co. v. G7 Env’t, LLC*, No.
 28 CV 20-8892 PA (AFMx), 2021 WL 2935659, at *9 (C.D. Cal. June 9, 2021)

(reducing fee request and concluding that tasks such as reviewing orders, conducting research, and completing *pro hac vice* applications “could have been performed by a junior attorney and/or paralegal with a lower billing rate”).

Finally, less than half of the fees Trader Joe’s United seeks to recover actually related to its motion to dismiss, and it seeks nearly \$24,000 in connection with Anti-SLAPP, Rule 11, and “1927 sanctions” research and drafting. *See* Dkt 47 at 4-5. These workstreams did not materialize into any filed motions, nor did this work relate to the motion to dismiss or this motion for fees. Trader Joe’s United should not recover fees for unpursued projects.

In sum, if the Court is inclined to award any fees at all, it should discount the requested fees by at least fifty percent.

V. CONCLUSION.

Trader Joe’s respectfully requests that the Court deny Trader Joe’s United’s motion for attorneys’ fees.

Dated: March 21, 2024

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TRADER JOE’S COMPANY

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CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for Trade Joe’s Company, certifies that this brief contains 4,970 words, which complies with the word limit of L.R. 11-6.1.

Dated: March 21, 2024 By: Jennifer L. Barry
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